

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

MAGNESIUM CORPORATION OF AMERICA,  
*et al.*,

Debtors.

Bankr. Case No. 01-14312 (MKV)  
(Jointly Administered)

**NOTICE OF RECEIPT AND DISPOSITION OF RENCO GROUP LITIGATION  
PROCEEDS**

**PLEASE TAKE NOTICE** that, on August 24, 2015, the Clerk of the United States District Court for the Southern District of New York entered an amended judgment [Dist. Ct. Docket No. 425] (the “Amended Judgment”) in *Buchwald v. The Renco Group, Inc., et al.*, 13-cv-07948-AJN (“Renco Group Litigation”) against The Renco Group, Inc. (“Renco Group”) in the amount of \$183,698,246.58 (plus post-judgment interest) and against Ira L. Rennert (together, with Renco Group, “Defendants”) in the amount of \$29,500,847.12 (plus post-judgment interest), for an aggregate recovery in the amount of \$213,199,093.70 (plus post-judgment interest), and thereafter Defendants took an appeal therefrom.

**PLEASE TAKE FURTHER NOTICE** that, on March 8, 2017, the United States Court of Appeals for the Second Circuit issued its Summary Order and Judgment, *inter alia*, denying Defendants’ appeal from the Amended Judgment (the “Appeal”).

**PLEASE TAKE FURTHER NOTICE** that, on August 9, 2017, Defendants filed a Petition for Writ of Certiorari to the Second Circuit Court of Appeals with the Supreme Court of the United States, which was denied by the Supreme Court on October 10, 2017.

**PLEASE TAKE FURTHER NOTICE** that, on October 27, 2017, Lee E. Buchwald, chapter 7 trustee (the “Trustee”) of the estates of the above-captioned Debtors, received

**\$76,753,505.53** from two of the three sureties which bonded the Appeal (Atlantic Specialty and Nationwide). On October 30, 2017, the Trustee received **\$137,941,614.16** from Zurich American (the third surety which bonded the Appeal), leaving a shortfall in the amount of \$2,828.76, which the Trustee has demanded from Zurich American.

**PLEASE TAKE FURTHER NOTICE** that, previously, on August 24, 2016, the Bankruptcy Court had entered an *Order Pursuant to 11 U.S.C. §§ 105 and 363, and Federal Rules of Bankruptcy Procedure 2002, 6004 and 9014 Approving Sale of Renco Litigation Interest* [Docket No. 214] (the “Sale Order”), approving a Sale Agreement (as defined in the Sale Order), whereby the Trustee sold certain proceeds of his potential recovery in the Renco Group Litigation to AEM SPV, LLC (“AEM”), which is now an affiliate of Burford Capital LLC, for \$26.2 million (“Sale Proceeds”).

**PLEASE TAKE FURTHER NOTICE** that on October 31, 2017, the Trustee paid **\$50,503,901.37** to AEM in full satisfaction of its claim under the Sale Agreement.

**PLEASE TAKE FURTHER NOTICE** that the Trustee is presently holding approximately \$188 million in MagCorp bank accounts for administrative convenience, but without prejudice to anyone’s rights as to how such funds should be allocated between the estates of the two Debtors. Such funds represent the net amount of the Renco Group Litigation proceeds and the Sale Proceeds (after paying AEM, professional fees and other estate expenses).

Dated: October 31, 2017  
New York, New York

**STEVENS & LEE, P.C.**

By: /s/ Nicholas F. Kajon

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